

CALIFORNIA ENERGY COMMISSION

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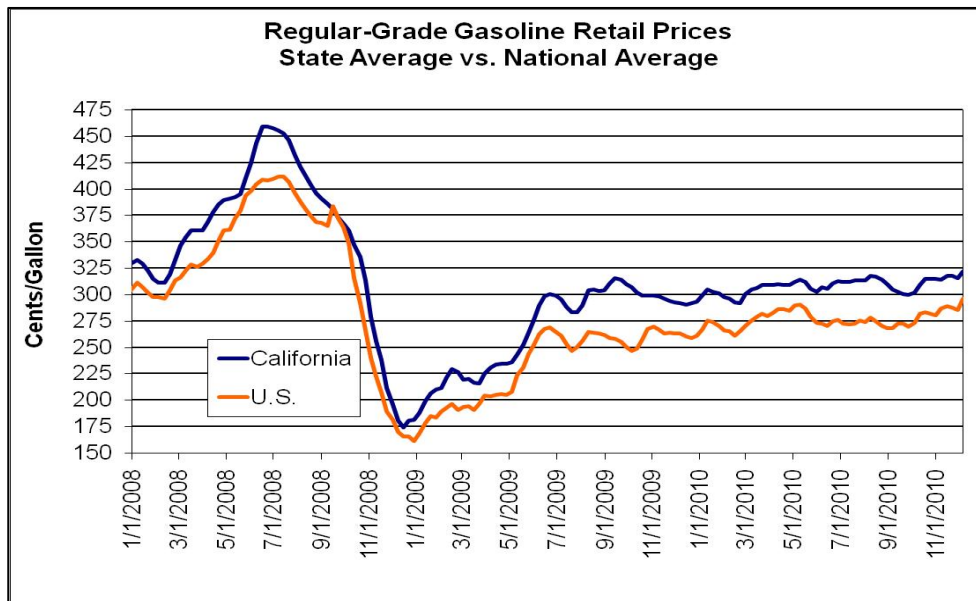
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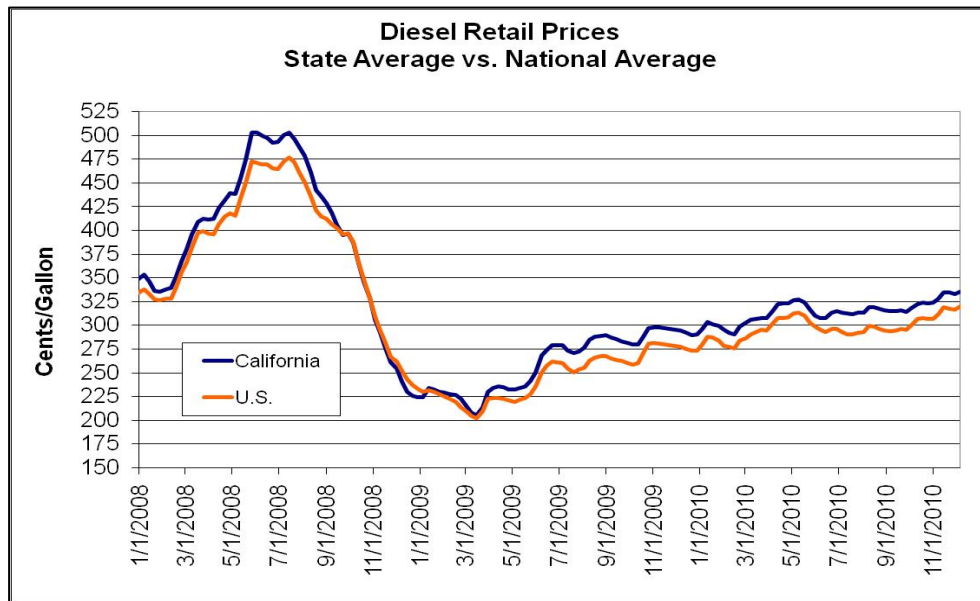
Consumer Information: www.ConsumerEnergyCenter.org

**Petroleum Watch****December 10, 2010*****Retail Gasoline and Diesel Prices on December 6***

- The average California **retail price for regular-grade gasoline** increased 7 cents from last week, rising to \$3.22 per gallon. Prices are 30 cents higher than this time last year and 7 cents higher than a month ago, reflecting rising wholesale prices.ⁱ
- The difference between California and U.S. retail gasoline decreased 8 cents since last month to 26 cents per gallon. U.S. gasoline prices increased 15 cents since last month to \$2.96 and are 32 cents more than this time last year.

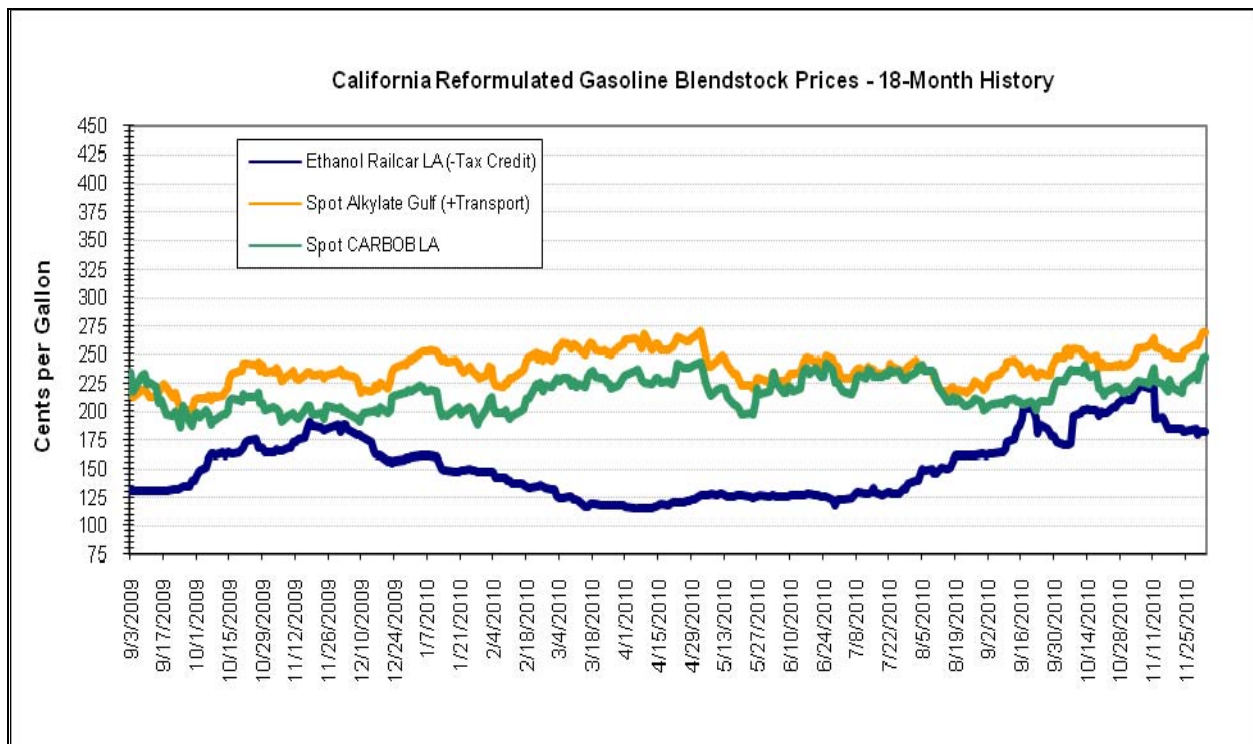


- The average California **retail diesel price** increased 11 cents since last month to \$3.35 per gallon. The U.S. retail diesel price increased 13 cents from a month ago to \$3.20 per gallon.



Wholesale Gasoline and Blendstock Prices on December 7

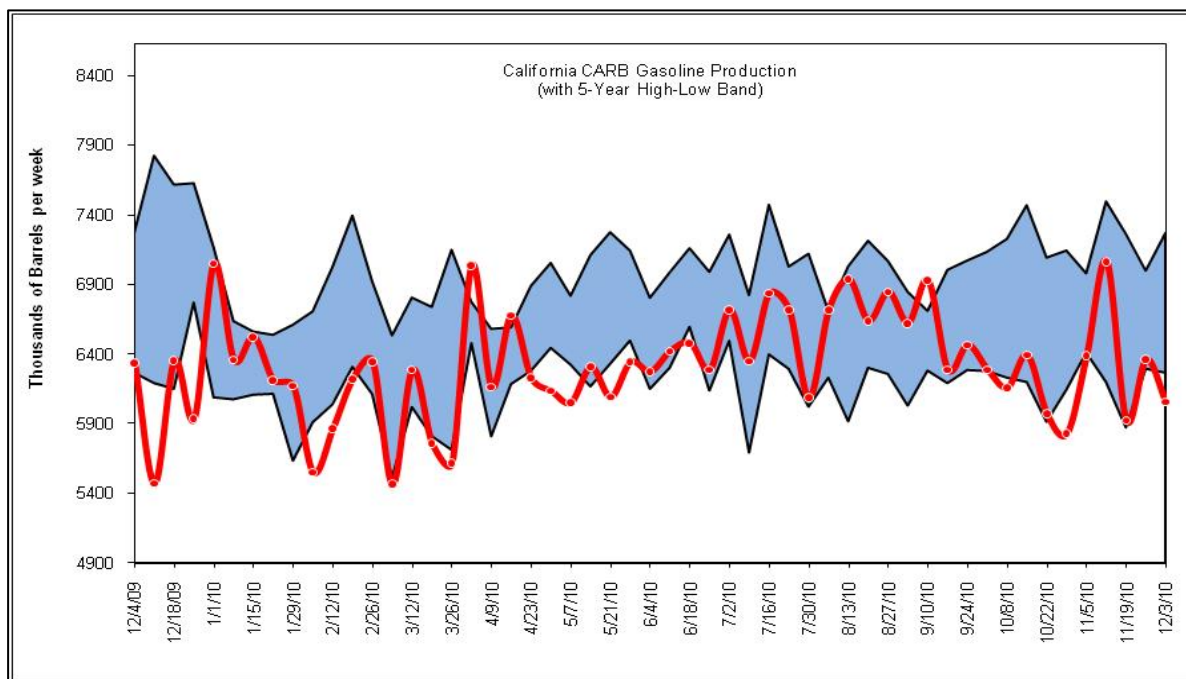
- California **spot wholesale gasoline prices** for regular-grade reformulated blendstock for oxygenate blending (RBOB) rose to \$2.48, 28 cents per gallon more than a month ago and 51 cents more than the same time last year.ⁱⁱ These increases reflect rising crude oil costs and low California gasoline production and inventories.
- Spot prices for RBOB in Los Angeles are 13 cents per gallon more than New York Harbor.
- California **spot wholesale prices for fuel ethanol** decreased 29 cents from last month to \$1.83 per gallonⁱⁱⁱ due to a November decline in corn prices.



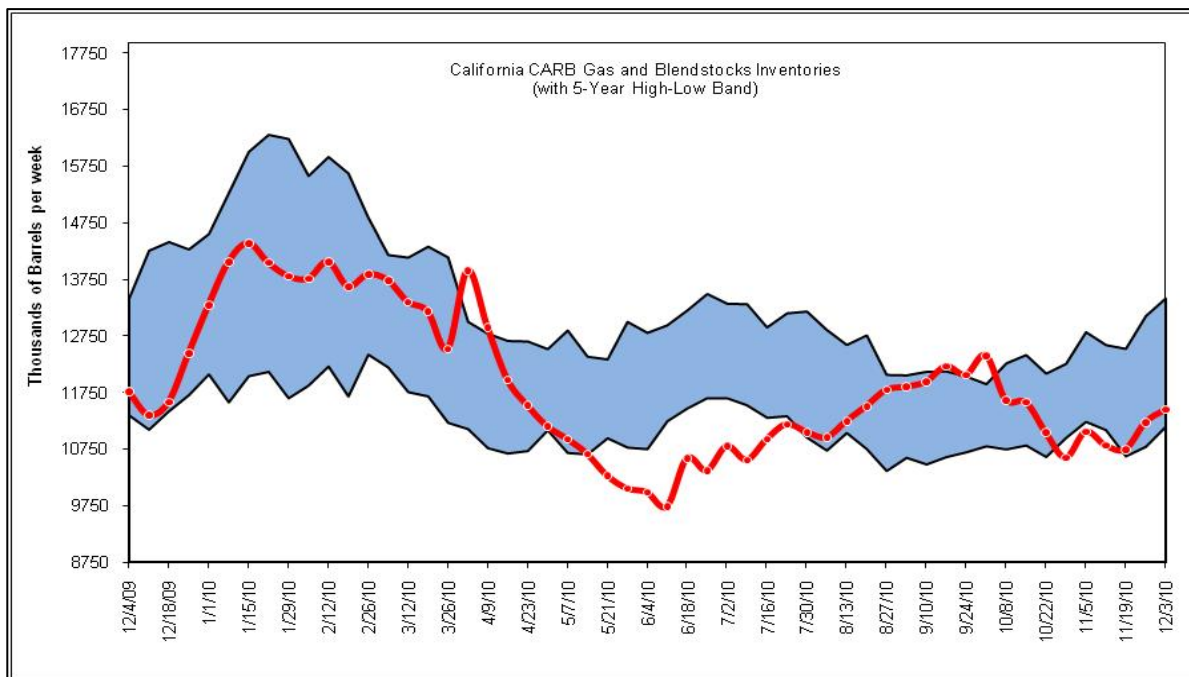
- The Energy Information Administration's (EIA) weekly report for the week ending December 3 shows that **U.S. gasoline demand** increased 3.4 percent and distillate demand decreased 0.1 percent from the previous week. The four-week average demand for gasoline is 9 million barrels per day, a decrease of 0.7 percent from the four-week average at the same time last year. The four-week average for U.S. distillate demand is 3.7 million barrels per day, 5.3 percent more than the same period last year.

Refinery Production and Inventories

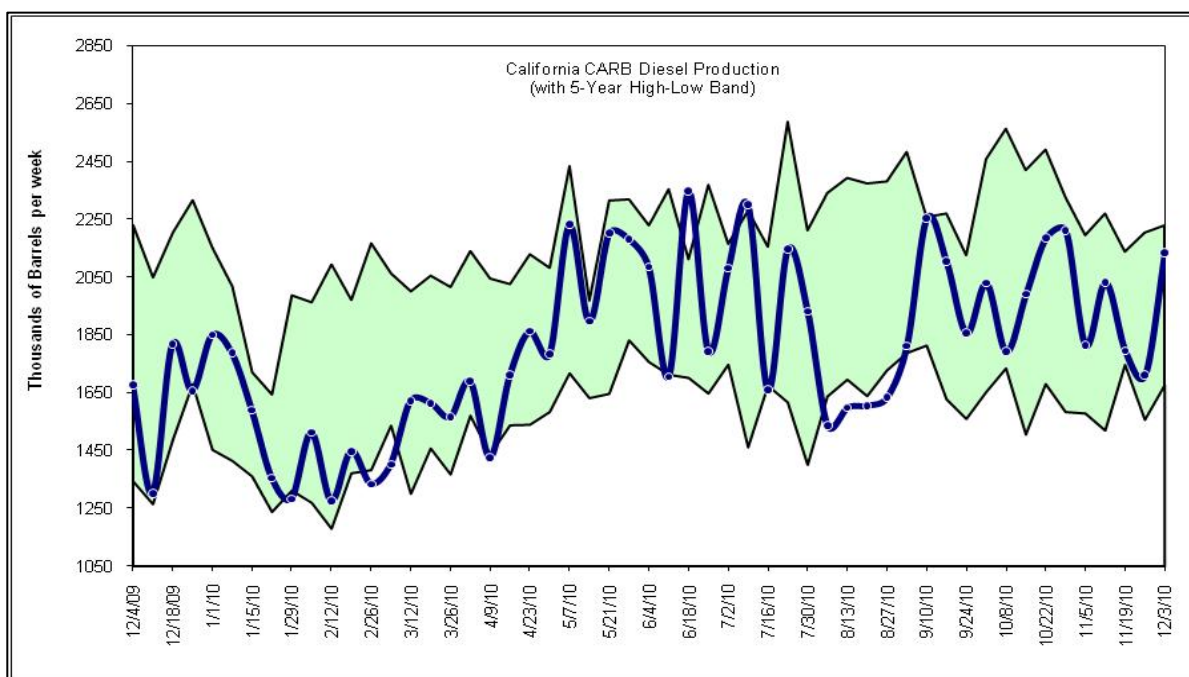
- **Reformulated gasoline production** in California for the week ending December 3 decreased 4.8 percent from the previous week to 6.1 million barrels, falling below the five-year range and 4.5 percent lower than a year ago.^{iv}



- California **reformulated gasoline inventories** decreased 0.2 percent from last week, while gasoline blendstock inventories increased 4.0 percent. Combined inventories of reformulated gasoline and gasoline blendstocks in the state increased 2.0 percent to 11.7 million barrels and are near the bottom of the five-year range.

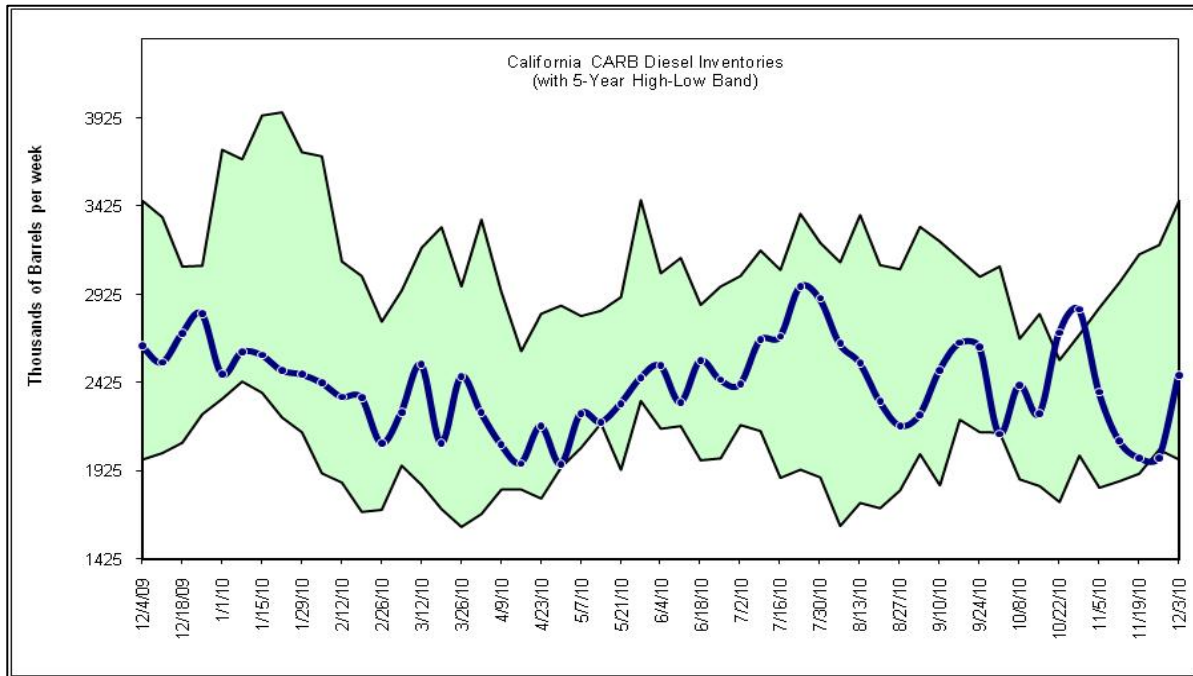


- U.S. gasoline inventories as of December 3 increased to 214.0 million barrels, 3.8 million barrels more than the previous week. Inventories increased on the East, Gulf, and West Coasts.
- California-compliant **ultra-low-sulfur diesel fuel (CARB diesel) production^v** was 2.1 million barrels during the week ending on December 3, an increase of 24.8 percent from the previous week and near the top of the five-year range.



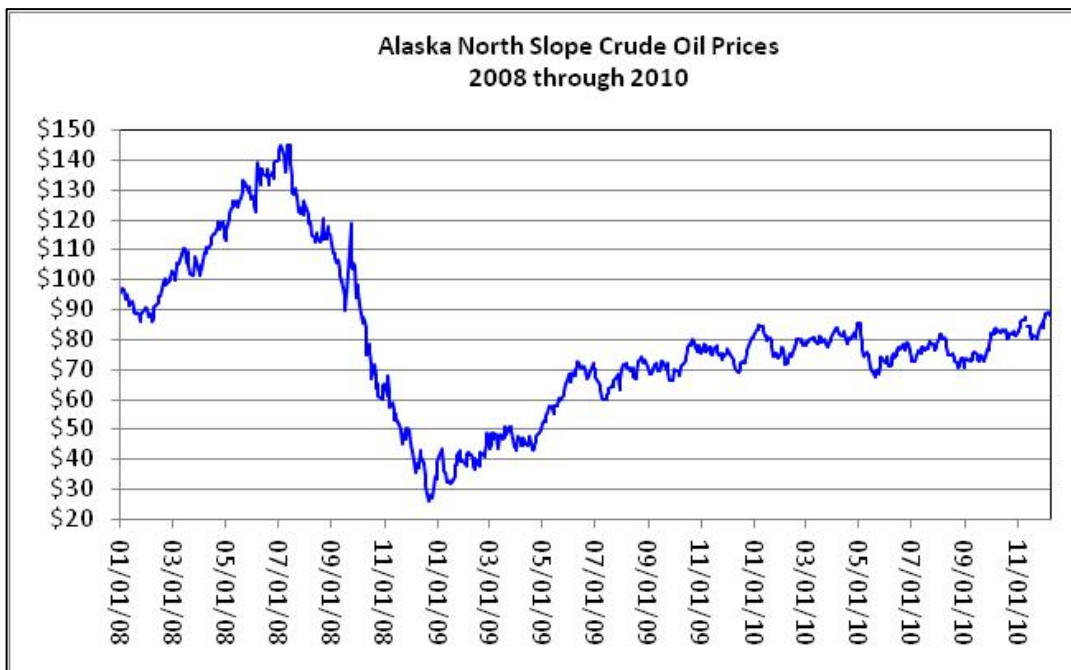
- **Inventories of CARB diesel** in California increased 23.5 percent from the previous week to 2.5 million barrels, rising to the middle of the five-year range. Total U.S. distillate inventories as of December 3 rose to 160.2 million barrels, 2.2 million

barrels more than the previous week. Inventories increased on the East and West Coasts and decreased on the Gulf Coast.



Crude Oil Prices and Inventories

- West Coast prices for Alaska North Slope (ANS) crude oil, an important refinery feedstock for California, increased to \$88.03 as of December 8. Overall, prices increased \$3.94 since last month and are \$16.31 higher than a year ago.^{vi} A weakening of the dollar, a slight reduction in OPEC oil supplies, lower than expected initial jobless claims, an increase in wholesale sales indicating retailers expect a strong holiday shopping season, and an apparent deal to extend U.S. tax cuts helped push prices up. However, new concerns over Ireland's debt crisis and a Department of Labor report showing a U.S. unemployment increase to 9.8 percent helped restrain price increases.



- U.S. commercial crude oil inventories as of December 3 fell by 3.8 million barrels from the previous week to 355.9 million barrels. Crude oil stocks are 19.8 million barrels more than this time last year and 31.5 million barrels more than the five-year average for this date. California crude oil stocks rose 0.1 percent from the previous week to 16 million barrels and are 0.1 percent less than last year.

ⁱ Retail gasoline and diesel prices and U.S. crude oil and product inventory estimates are from the Energy Information Administration of the U.S. Department of Energy.

ⁱⁱ Since the Energy Information Administration is not currently publishing spot prices, the Energy Commission is using data from *The Wall Street Journal's* Market Data for spot wholesale prices. The Energy Commission will reconsider using the Energy Information Administration's wholesale spot gasoline and diesel prices if publication is resumed.

ⁱⁱⁱ Ethanol railcar prices are from Platts Oilgram and are average prices for prompt Southern California shipments minus a 45¢/gal federal excise tax credit for 2009 prices and a 51¢/gal federal excise tax credit for prices prior to 2009. California alkylate prices are also calculated from Platts Oilgram and include a 20¢/gal transportation and distribution cost from Gulf Coast to California. Spot wholesale prices for regular-grade California reformulated gasoline blendstock for oxygenate blending (CARBOB) are from Oil Price Information Service.

^{iv} California refinery production and inventory information is from the Petroleum Industry Information Reporting Act (PIIRA) database maintained by the California Energy Commission.

^v Staff has discontinued the reporting of combined CARB and EPA diesel production and inventories and will report only CARB diesel as of December 2009. EPA diesel is primarily for export from California.

^{vi} ANS crude oil prices are from *The Wall Street Journal*.